

Fiscal Note

Fiscal Services Division



HF 2245 – Allowable Growth for Schools (LSB 6029.S5053)

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Fiscal Note Version – As Amended by **S-5053**

Description

Senate Amendment **S-5053** to **HF 2245** establishes the FY 2014 allowable growth rate at 4.0% for regular school aid and the each of the State categorical supplements. The growth rate will be applied to each of the FY 2013 State cost per pupil amounts to establish the FY 2014 State cost per pupil, district cost per pupil, and Area Education Agency (AEA) cost per pupil amounts. The following table provides the information pertaining to each of the State cost per pupil amounts impacted by **S-5053**.

	FY 2013 State Cost Per Pupil	FY 2014 Per Pupil Cost Growth	FY 2014 State Cost Per Pupil
Regular Program	\$ 6,001.00	\$ 240.00	\$ 6,241.00
Special Education	6,001.00	240.00	6,241.00
AEA Special Education Support Services	263.51	10.54	274.05
AEA Media Services	49.13	1.97	51.10
AEA Educational Services	54.22	2.17	56.39
Teacher Salary Supplement	517.17	20.69	537.86
Professional Development Supplement	58.57	2.34	60.91
Early Intervention Supplement	63.80	2.55	66.35
AEA Teacher Salary Supplement	27.07	1.08	28.15
AEA Professional Development Supplement	3.16	0.13	3.29

Assumptions

Variables used in determining State school aid for FY 2013 have not been finalized. The following provides the assumptions used in calculating both FY 2013 and FY 2014 school aid estimates. Any variations in these assumptions will impact the overall funding amounts.

Current assumptions include:

- Taxable valuation growth of 3.8% for FY 2013 and 4.13% for FY 2014.
- Preliminary enrollments for FY 2013 and projected enrollments for FY 2014.
- Preliminary weightings for FY 2013 and an increase of 1.0% for special education weightings, 10.0% for supplementary weightings for sharing, 7.0% for English-as-a-Second Language weightings, 1.0% for at-risk weightings, and 5.0% in preschool formula enrollments for FY 2014.
- Assumes no change in the amount of funding from the Property Tax Equity and Relief Fund for FY 2014.
- The current additional State aid reduction to AEAs is \$10.0 million for FY 2013.

Fiscal Impact

The estimated fiscal impact of a 4.0% allowable growth rate for State school aid includes:

- An increase of State aid for regular school aid of \$122.5 million.
- An increase of State aid for the Statewide Voluntary Preschool Program of \$5.5 million.
- An increase of State aid for the State categorical supplements of \$14.6 million.
- The total estimated General Fund expenditure increase for State school aid is estimated at \$142.6 million in FY 2014.
- The estimated increase in school aid property taxes is \$59.0 million. This amount includes a total for the budget guarantee of \$11.9 million impacting 99 school districts (28.2%).
- The estimated increase in the combined district cost is \$196.2 million.

The following table provides the estimated fiscal impact of [S-5053](#) for FY 2014.

Legislative Services Agency: Estimated FY 2013 and FY 2014 State School Aid Amounts (Dollars in Millions)				
School Aid Funding	Estimated FY 2013	FY 2013 Change from FY 2012	FY 2014 with 4.0% Allowable Growth Rate Totals	Change from Est. FY 2013
Regular School Aid	\$ 2,287.3	\$ 30.3	\$ 2,409.8	\$ 122.5
State Categorical Supplements	319.6	3.8	334.2	14.6
Preschool Formula	59.7	1.3	65.2	5.5
Est. Total School Aid Amount	\$ 2,666.6	\$ 35.4	\$ 2,809.2	\$ 142.6
Est. School Aid Property Tax	\$ 1,320.6	\$ 6.1	\$ 1,379.6	\$ 59.0
Est. Combined District Cost	\$ 3,927.5	\$ 40.2	\$ 4,123.7	\$ 196.2

Sources

Iowa Department of Education, Preliminary Certified Enrollment file
Iowa Department Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

March 12, 2012

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to **Iowa Code section 2.56**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.